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FACSIMILE COVER SHEET

April 1, 2003

Receiver: Examiner F. Ryan Zeender

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Sender: Michael Lee, Esq.

Re: U.S. Patent Application No. 09/594,213
*"Multi-Vendor Internet Commerce System for E-Commerce Applications and
Methods Therefor"*
File Date: June 14, 2000
Our Docket No. CCTYP001

Pages Including Cover Sheet(s): 6

MESSAGE:

Attached is a Declaration filed under 37 C.F.R. § 1.131 for submission in the above-referenced patent application.

CONFIDENTIALITY NOTE

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PATENT

IN THE UNITED STATES PATENT & TRADEMARK OFFICE

In re the application of: LORENZEN ET AL.)

Application No.: 09/594,213)

Filed: June 14, 2000)

For: MULTI-VENDOR INTERNET)
COMMERCE SYSTEM OR)
E-COMMERCE APPLICATIONS)
AND METHODS THEREFORE)

Group Art Unit: 3627

Examiner: Zeender, F.

Attorney Docket No.CCTYP001:

DECLARATION UNDER 37 CFR § 1.131

Assistant Commissioner for Patents
Washington, D.C. 20231

Sir:

I, Lee Lorenzen, declare as follows:

I am a co-inventor in the above-identified patent application with Jordan
Zimmerman.I am a citizen of the United States of America. I am currently employed by
Altura International.I believe the invention of the multi-vendor, virtual inventory, one-cart, one-
checkout process that we have applied for a patent for pre-dates any other e-
commerce system. Specifically, with regard to Amazon.com, I can attest to the
following based on:

1. our experience in watching Amazon.com's site during its development from
1995 to the present date,
2. our work in implementing www.catalogcity.com as an e-commerce site that
offers an Amazon-like checkout process but with the significant innovations
needed to support multiple vendors using a virtual inventory model and
supporting third party business rules and credit card processing, and

3. our partnership with Amazon, following their \$5 million investment in us in November, 2001 and commercial agreement, whereby we would assist them in the development of a multi-vendor, virtual inventory, one-cart, single checkout system focused on adding third party catalogers to the Amazon site (initially in the Apparel area).

To help describe the state of the e-commerce industry, as represented by its leading company Amazon, in the timeframe around the date of our invention, I will provide a basic timeline. These facts are drawn from Amazon's annual reports, press releases, my own recollection and use of web archives of prior versions of the Amazon site.

Timeline:

July 1995 – Amazon opened its e-commerce doors as a seller of books. Amazon received books into its offices in Seattle, presented pictures, descriptions and prices of the books on its web sites, allowed consumers to place these books in an online shopping cart, supported a step-wise checkout process where consumers entered their bill-to/ship-to address and desired shipping method, payment method. Upon a submit order request from the consumer, Amazon, as merchant of record, would bill the credit card and pick/pack/ship the books to the consumer from their own warehouse.

June 1998 – Amazon expanded the products that could be purchased from them by launching a music section of Amazon.com site that now allowed consumers to buy CD's via the same single vendor, physical inventory, one-cart, one checkout process that had previously been limited to books.

November 1998 – Amazon expanded the products that could be purchased from them by launching a movie section of Amazon.com site that now allowed consumers to buy video's via a single vendor, physical inventory, one-cart, one checkout process that had previously been limited to books and CD's.

1999 – Amazon adds new sections to its online shopping site to offer Toys, Consumer Electronics, Home Improvement, Software, Video Games. In all of these areas, Amazon attempted to use its same single vendor, physical inventory, one-cart, one checkout process.

1999 – Amazon entered into a relationship with DrugStore.com whereby Amazon would add a Store Tab at the top of the screen for DrugStore.com. Consumers who clicked on this tab were taken to a parallel site, run by DrugStore.com that had an Amazon look-and-feel but that did not share the same shopping cart as on Amazon.com. Similar promotional agreements were done with ashford.com, audible, della.com, gear.com, greenlight.com, homegrocer.com, kozmo.com, living.com, NextCard, Inc., pets.com and sothebys.com. In none of these multi-vendor, virtual inventory relationships was the consumer able to add products to Amazon's primary One-Cart, one checkout shopping system.

1999 – Amazon adds a Auction and zShops area to its online site whereby thousands of third party sellers could sell to Amazon consumers a wide variety of products, however the checkout process for these third party products was segregated from Amazon's one-cart solution. Specifically, you could not put a zShop merchant's products in the same shopping cart that held your Amazon purchases for the products (e.g., Books, Music, Video, etc.). Although some MyAccount information was shared, there was no consolidation of the multiple shipping methods, tax jurisdictions and payment methods of these third-party, virtual inventory sellers that were part of the Amazon.com site. In fact, if an Amazon shopper could only buy and checkout one Auction or zShop product at a time.

February 2000 – Quoting Jeff Bezos' in the annual report under goals for 2000, "In many areas, partnering is the best way for us to rapidly expand our store..."

September 2000 – Amazon launches a co-branded store with ToysRUs. For the first time, Amazon can claim to have a single third-party vendor, offering virtual inventory that can be added to Amazon's one-cart, one checkout system. This was

accomplished in part by moving some of the ToysRUs inventory into Amazon's warehouses and/or distribution centers. In addition, the shipping methods and tax rules remained primarily those of Amazon.

2001 – Amazon created its Merchant@Amazon.com program that allows third party merchants to offer products on Amazon (but still via a non-integrated checkout process). The Amazon e-commerce software still could not handle a multi-vendor, virtual inventory, one-cart, one checkout system that would keep track of each vendor's unique business rules but at the same time present consumers with a seamless one-pass checkout process that could mix both Amazon-supplied products with the products supplied by other merchants.

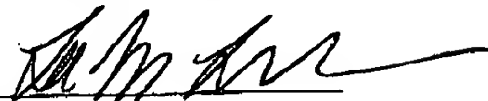
July 2001 – In a face-to-face meeting in Seattle between Altura and Amazon, Jeff Bezos' made the decision to partner with Altura and invest \$5 million for 20% of Altura. This was immediately after seeing a demonstration of Altura's CatalogCity.com and our other mall software and hearing a description of how our technology allowed 500+ catalogers to offer their products to consumers in a seamless manner via our one-cart, one checkout system.

November 2001 – Amazon invests in Altura and enters into a 5 year commercial agreement. At that point, Altura begins disclosing our database structure, our product and merchant integration specifications and other trade secrets related to building a multi-vendor, virtual inventory, one-cart, one-checkout process.

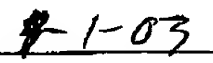
October 2002 – Amazon finally launches an apparel store filled entirely with third party clothing that is provided by 30 independent companies. This clothing is available to consumers through Amazon's one-cart, one checkout system. And, for the first time, Amazon has a system that is equivalent to the fundamental innovations described in our invention.

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true. I further declare that these statements are made with the knowledge that willful false

statements and the like so made are punishable by fine or imprisonment, or both
(under Section 1001 of Title 18 of the United States Code), and that such willful false
statements may jeopardize the validity of the application or any patent issued thereon.



Lee Lorenzen



Date